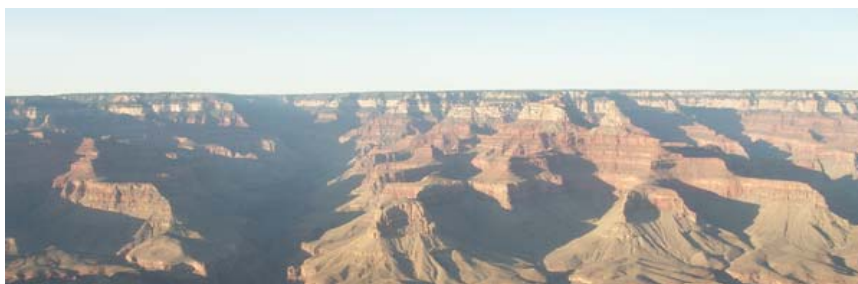


■ Editorial



For many of us, a new academic year has started or is about to start on one of these days. This means going back into the classroom to teach the principles of accounting, auditing or taxation. But it also means starting new research projects, finishing up old ones, submitting papers or receiving more or less positive reviews for these... Business as usual, so to speak!

But the field of accounting is in constant change, and this is likely to be reflected in some of our teaching and research efforts. One of the ongoing developments in accounting is the convergence process between US GAAP and IFRS that had started in 2002 with the "Norwalk agreement" between the FASB and the IASB. This month, the two bodies issued an update of their memorandum of agreement and outlined the remaining steps to be taken until 2011. This convergence of accounting standards clearly has implications for teaching and research, some of which we can already see today. A second development that has recently gained momentum concerns the field of sustainability reporting. The increasing concern with the environment has led to an increasing awareness with respect to companies' policies vis-à-vis sustain-

ability. This can, and should, be taken up in our research and teaching programs. It is also taken up by Anthony Hopwood in this issue of the newsletter, in an essay on the Accounting for Sustainability Project in the UK. In this context, it is worthwhile to point out that the *European Accounting Review* will publish a special section on "Accounting and the Market of Emissions" in a future issue of the journal.

In his presidential letter, John Christensen reminds us of the approaching deadline for submissions for the next Annual Congress of the EAA that will be held in May 2009 in Tampere, Finland. I hope that many of you will come to Tampere to discuss the recent developments in the world of accounting.

Besides these highlights, the newsletter contains, as usual, several announcement of future events that may be of interest to you. The next newsletter will appear in December. Until then, I wish you a good time.

Yours,

Martin Messner
messner@hec.fr

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Letter from the president, John Christensen

Dear Colleagues,

I have just visited the site for the next EAA conference in Tampere and this is going to be yet another great EAA event. The conference website is up and running. The call for papers is out with a deadline for paper submission on December 1. Thus, it is time to polish your paper to make it ready for this deadline. I look forward to seeing you there.

A new item on the agenda for the EAA is the EAR conference that will be launched next spring. It is going to be a small conference centring on the special issue on *Measurement Issues in Financial Reporting*. The papers to be presented at this conference will be some of the papers that survive the first round of review. Attendance at the conference will be by invitation only. There are numerous motives for EAA to be doing this. One motive is to create a forum for a focussed discussion of the papers. Hopefully, this will increase the quality of the papers both in terms of academic quality but also in terms of readability. Another motive is to build a stronger community around our journal. As the conference is following the EAA policy of openness and flexibility with respect to research methodology and styles of conducting research, there is also the

slight hope that this conference will induce additional research combining several streams of thought. Note that this is a pilot project and only time will show if we can get this to work in the EAA context. As Anthony Hopwood suggested in a recent issue of the newsletter, the way ahead for the EAR is by no means easy. Merely unconsciously copying other journals will certainly not lead to success for the EAR. On the other hand, considering the rich research tradition of EAA, an EAR conference can hardly fail.

One of the inventions of the conference in Rotterdam was awards for best papers. This was introduced as a test. In response to this initiative we observed some very happy and proud recipients of awards. There are a number of issues that have to find their solution in our setting before this can become a permanent part of our conference agenda. In the months to come we are going to listen to the voice of the members of EAA before a decision to continue this is made. The issues are many and conflicting. It is by no means easy to select the best paper even if we allow 10 best papers in total. Unanimity is hardly found on such issues and it is impossible to make the selection on pure scientific grounds. The selection of the best papers is highly personal and reflects both personal tastes and skills. The fairness of any procedure makes awarding papers a sensitive issue. The

easy solution is not to give out awards. However, we should not let technicalities stop us from doing this. Awards are given in many places in the academic community. This year, Anthony Hopwood was inducted into the Accounting Hall of Fame. Among Anthony's many accomplishments is that he is one of the founding fathers of EAA. This award is highly deserved and I will take this opportunity to congratulate Anthony.

Behind the website of the Tampere conference lies a new EAA development, as the website is created and maintained by EIASM. The setup can be used and developed further year after year. This should make it easier to organize our conferences, as we will not have to develop a new website from scratch each year. I hope that this will prove useful in the years to come.

The next EAA conference will be held on May 12-15, 2009 in Tampere. Remember to meet the submission deadline for papers for this conference: December 1, 2008. It is up to you to make this an academic success. The Tampere Team is well prepared for an invasion of accountants!

John Christensen
President of EAA



News on the *European Accounting Review*

Forthcoming Articles in EAR

Beuselinck C., Deloof M. and Manigart S., *Private Equity Investments and Disclosure Policy*

Arnedo Ajona L., Lizarraga Dallo F. and Sánchez Alegría S., *Discretionary Accruals and Auditor Behaviour in Code-Law Contexts: an Application to Failing Spanish Firms*

Sargiacomo M., *Accounting and the "Art of Government": Margaret of Austria in Abruzzo (1539-1586)*

Espinosa M., Gietzmann M. and Raonic I., *US Institutional Investors Response to the News Flow of Intangibles Intensive European Stocks: A Study of European BioTech and Pharma Stocks*

Ken L., Bechmann K.L. and Hjortshøj T.K., *Disclosed Values of Option-Based Compensation – Incompetence, Deliberate Underreporting or the Use of Expected Option Life?*

De Geuser F., Mooraj S. and Oyon D., *Does the Balanced Scorecard Add Value? Empirical Evidence on its Effect on Performance*

Al Jifri K. and Citron D., *The Value-Relevance of Financial Statement Recognition Versus Note Disclosure: Evidence From Goodwill Accounting*

Special Section: Accounting and the Market of Emissions

Bebbington J. and Larrinaga-González C., *Carbon trading: accounting and reporting issues*

Kolk A., Levy D. and Pinkse J., *Corporate Responses in Emerging Climate Regime: the Institutionalization and Commensuration of Carbon Disclosure*

Johnston D.M., Sefcik S.E. and Soderstrom N.S., *The Value Relevance of Greenhouse Gas Emissions Allowances: An Exploratory Study in the Related United States SO2 Market*

Other News

• The Board of the European Accounting Association has approved the nomination of **Salvador Carmona** for a second term as the Editor of EAR, from January 1, 2009 through December 31, 2011.

• The article "[XBRL: An \(Open\) Source of Enlightenment or Disillusion?](#)" by **Joanne Locke and Alan Lowe** that was published in the issue 3 of vol. 16 of the EAR, was included among the 50 *Citations of Excellence* winners for the year 2007. These articles are carefully selected among the over 15,000 articles included in the Emerald Management Reviews database for their special relevance.

Upcoming EIASM events

Here are some of the upcoming EIASM events. For a full list, please visit www.eiasm.org.

- 4th Workshop on Visualising, Measuring and Managing Intangibles and Intellectual Capital, 22-24 October 2008, Hasselt (Belgium)
- 5th Workshop on Management and Accounting in Historical Perspective, 26-28 November 2008, Innsbruck (Austria)
- EDEN Doctoral Seminar on Producing and Evaluating Knowledge in Management Accounting, 11-13 December 2008, Brussels
- 6th Conference on New Directions in Management Accounting, 15-17 December 2008, Brussels
- EDEN Doctoral Seminar on Case-Based Research in Management Accounting, 23-27 March 2009, Brussels
- 25th EAA Doctoral Colloquium in Accounting, 9-12 May 2009, Tampere (Finland)
- 32th EAA Annual Congress, 12-15 May 2009, Tampere (Finland)
- 9th Manufacturing Accounting Research Conference, 21-24 June 2009, Münster (Germany)
- 5th Conference on Performance Measurement and Management Control, 23-25 September 2009, Nice (France)

Anthony Hopwood joins the Accounting Hall of Fame

On 4 August 2008, Anthony Hopwood, American Standard Companies Professor of Operations Management and former Dean of Oxford University's Saïd Business School, became elected to the Accounting Hall of Fame. He received the honour at a ceremony at the Annual Meeting of the American Accounting Association in Anaheim/California.

The Accounting Hall of Fame was established in 1950 for the purpose of honouring accountants who have made or are making significant contributions to the advancement of accounting. Honorees are selected by the Accounting Hall of Fame's international board of electors. Eighty-three influential and respected accountants from academe, accounting practice, government and business have been elected to the Accounting

Hall of Fame since its establishment in 1950 at Ohio State University's Fisher College of Business.

Anthony Hopwood received his nomination for the international role that he has played in bringing organisational and social analysis into research on accounting and for establishing the major international research journal, *Accounting, Organizations and Society*.

The accolade is the latest in a string of awards bestowed on Hopwood over the past year: The American Accounting Association presented him with two awards; the Management Accounting Section of the American Accounting Association awarded him a Lifetime Achievement Award; and the American Accounting Association also presented him with the 2008 Notable Contribution to the

Management Accounting Literature Award for co-editing the two-volume Handbook of Management Accounting Research (Elsevier, 2007).

Anthony Hopwood has strongly contributed to develop a European outlook and a social theory agenda for accounting research. He has been actively engaged in launching several initiatives to make Europe a platform for the study of accounting practices, including founding the European Accounting Association and developing the accounting activities of the European Institute for Advanced Studies in Management in Brussels. In addition, he has served as consultant to governments and international organizations and, in 2006, was appointed Chairman of the Prince of Wales' Foundation for the Build Environment.



32nd Annual Congress of the EAA Tampere, 12-15 May 2009

The 32nd Annual Congress of the European Accounting Association will take place from 12 to 15 May 2009 in Tampere, Finland.

Authors are invited to submit full papers. The deadline for the submission of papers is 1 December 2008. A full paper is a completely scholarly research report that could reasonably be submitted for publication in a public working paper data base such as SSRN. Papers will be subject to a double-blind review process by the Scientific Committee, so please do NOT include a cover page with your submission. Information typically provided on a cover page will be entered on the on-line submission form.

There will three types of sessions. Parallel Sessions with Discussant

(PSD) where selected relevant papers will be individually discussed by experts in the area (2 papers in each session), Parallel Sessions (PD) that will include 3 papers in normal sessions, and Research Forum Sessions (RF) where 5 less developed papers will be briefly presented in each session. The decision to be included in one of these sessions will be made by the Scientific Committee taking into account the scores obtained in the review process.

By EAA policy, each individual is limited to one personal appearance on the program as a presenting author. This policy implies that an author can submit *and* present only one paper. However this author can always be a co-author of other submitted papers.

Papers must be submitted via the

website of the Congress: www.eaa2009.org.

Important dates:

- Paper submission: December 1, 2008
- Notification of paper acceptance or rejection to participants: February 16, 2009
- Registration of authors of accepted papers: March 16, 2009

■ Call for papers

Annual Conference of the Accounting Section of the German Academic Association for Business Research

5-7 February 2009, Munich

The 2009 Conference of the **Accounting Section of the German Academic Association for Business Research** (AS-GAABR), organized in collaboration with the **International Association for Accounting Education and Research** (IAAER), will take place from 5 to 7 February 2009 at the Ludwig-Maximilians-University Munich.

Papers are invited in the broad areas of Managerial and Financial Accounting and Auditing (including National/European/International Regulation, Corporate Governance, Ethics or other related topics) in the private and public sector. Authors are invited to submit theoretical as well as empirical papers. Independent reviewers will referee all submitted papers. Selected high-quality papers will be considered for publication in *sbr Schmalenbach Business Review*, in *Journal of International Financial Management & Accounting (JIFMA)* and in *Business Research (BuR)*.

Submission of Papers

To be eligible for presentation, full papers must be written in English, sent to hansrudi.lenz@uni-wuerzburg.de by November 1th 2008, submitted on Word format. The paper should be headed by title, author(s) and affiliation(s) and address for correspondence. Authors will be notified of acceptance by December 2008.

Best Paper Award

The AS-GAABR will present an award to the best paper at the conference, as selected by the Scientific Committee and considering reviewer assessment. Award recipients will receive 1000 € (to divide between co-authors) and a recognition certificate.

Preliminary Program at a glance

Thursday, 5 February 2009

14.00 – 14.15 Welcome Address

14.15 – 15.30 Plenary Session 1:

“Convergence of Accounting, Auditing and Enforcement”

15.30 – 16.00 Coffee Break

16.00 – 17.30 Concurrent Session 1

18.00 – 19.00 Happy Hour

Friday, 6 February 2009

9.00 – 10.30 Concurrent Session 2

10.30 – 11.00 Coffee Break

11.00 – 12.30 Concurrent Session 3

12.30 – 14.00 Lunch

14.00 – 15.30 Concurrent Session 4

15.30 – 16.00 Coffee Break

16.00 – 17.30 Plenary Session 2:

“IFRS and Capital Market Reactions – Theoretical Arguments and Empirical Evidence “

19.00 Conference Dinner

Saturday, 7 February 2009

9.00 – 10.30 Concurrent Session 5

10.30 – 11.00 Coffee Break

11.00 – 12.30 Plenary Session 3:

“Performance Measurement – Current Trends and Developments”

Conference Venue

Ludwig-Maximilians University Munich, School of Management

Geschwister-Scholl-Platz 1, 80539 München

www.en.bwl.uni-muenchen.de

Conference Fee

The conference fee of € 150 also includes all lunches and the conference dinner on February 6th.

Registration

The registration form can be found here:

<http://www.wifa.k.uni-wuerzburg.de/bwl3/KomRewe/>

Social Programme

The dinner is planned for the evening of February 6th. More information about Munich can be found on www.muenchen.de.

Scientific Committee

Wolfgang Ballwieser, University of Munich

Günther Gebhardt, University of Frankfurt

Hansrudi Lenz, University of Würzburg (Chair)

Donna Street, University of Dayton

Alfred Wagenhofer, University of Graz

Stefano Zambon, University of Ferrara

Organization

Prof. Dr. Dr. h.c. Wolfgang Ballwieser
Chair of Accounting, Auditing and Corporate Valuation, University Munich, Munich School of Management, Phone: +49 (0) 89 / 2180 6323, E-Mail: ballwieser@bwl.lmu.de

Prof. Dr. Hansrudi Lenz

Chair of Accounting and Auditing, University Würzburg, Faculty of Economics, Phone: +49 (0) 931 / 31 2941, E-Mail: hansrudi.lenz@uni-wuerzburg.de

■ Call for papers for a special issue of AAAJ in 2010

Sustainability Accounting, Auditing and Accountability - A Question for Management

Guest Editors:

Roger L. Burritt & Stefan Schaltegger

Sustainability accounting, auditing (or assurance) and accountability have been receiving growing attention from academics and practitioners alike in recent years. Different disciplinary configurations have been brought to bear on the main issues arising - management, political, technological, socio-cultural, regulatory, and ecological amongst others. Also the perspectives of many types of stakeholders are emerging - internal through the eyes of different types of managers and external through the views of different combinations of stakeholders. The relationship between management and sustainability accounting, auditing and accountability is at present under-examined and tensions arising in the literature could benefit from further teasing out. Some authors are critical of management and its role in ecological and social crises while others look for ways of engaging managers in the process of changing attitudes, beliefs and behaviours such that organisations can provide solutions towards corporate sustainability and sustainable development of the economy and society. Some are philosophical about the possibility of management involvement in ecological and social issues leading to any change, while others see a pragmatic approach to the management of sustainability issues as the only way to bring needed change into practice. Do managers have to 'talk and measure the walk' as well as 'walk the walk' in order for sustainability issues to be embedded in their thoughts, deeds and actions?

The aim of this special issue of the Accounting, Auditing and Account-

ability Journal is to promote informed debate about the relationships between management and sustainability accounting, auditing and accountability. We invite theoretical, empirical, practical and review papers, whether qualitative or quantitative, from scholars across disciplines on the following issues:

- Sustainability accounting for managers in the private, public and not for profit sectors
- Management and sustainability assurance
- The role and processes of internal accountability in managing towards corporate sustainability
- Sustainability performance measurement for management control
- Sustainability management accounting for multinationals, or small and medium sized entities
- Links between sustainability management accounting and external accountability
- The relationship between internal and external assurance and sustainability performance
- Strategic sustainability management and accounting
- Links between sustainability accounting and other management tools (e.g. internal reporting, financial reporting, strategic management tools, such as the balanced scorecard, etc.)

These themes are only indicative. Papers outside these themes relevant to understanding management links with sustainability accounting, auditing and accountability are welcomed. The deadline for submissions is 31 December 2008. Accepted papers will be

published in 2010. Please prepare your manuscript according to AAAJ guidelines.

For details, visit:

<http://info.emeraldinsight.com/product/journals/journals.htm?PHPSESSID=3rktl6pgj47j7n0829hhud3q54&id=aaaaj>

Papers available earlier are invited for presentation at the **7th Australasian Conference on Social and Environmental Accounting Research, 7-9 December 2008**, University of South Australia, Adelaide, South Australia. See: <http://csear.econ.usyd.edu.au>.

All enquiries and electronic submissions of papers should be sent to Professor Roger L. Burritt (roger.burritt@unisa.edu.au).

Guest editors:

Professor Roger L. Burritt, Centre for Accounting, Governance and Sustainability, School of Commerce, City West Campus WL 4-56, University of South Australia, PO Box 2471, Adelaide, SA 5001 Australia. Tel: +61 8 8302 0462 (Research Administrator) or +61 8 8302 0462 (Direct); Fax: +61 8 8302 0992, E-mail: roger.burritt@unisa.edu.au, Web page: <http://www.unisanet.unisa.edu.au/Staff>

Professor Dr Stefan Schaltegger, Centre for Sustainability Management, Leuphana University of Lüneburg, Lüneburg, Scharnhorststr. 1, D-21335 Lüneburg, Germany. Tel +49 4131 677 2181 (Secretariat, 08.30-12.00h); Fax +49 4131 677 2186, E-mail: schaltegger@uni.leuphana.de, Web page: www.uni-lueenburg.de/csm

■ Call for papers

IPA Conference 2009

9-11 July 2009, Innsbruck (Austria)



The Interdisciplinary Perspectives on Accounting (IPA) Conference 2009 will take place from **09 to 11 July 2009**, in Innsbruck, Austria, and will be hosted by the **Innsbruck University School of Management**. The conference is preceded by the Emerging Scholars Colloquium (07 to 08 July 2009).

The IPA Conference is an established forum for the interdisciplinary study of accounting which brings together accounting researchers with broad social science interests and researchers from other disciplines such as anthropology, philosophy, political economy, and organization studies. The main focus of the conference is on the social, political, and organizational aspects of accounting theory and practice. Papers and sessions at previous conferences have dealt with themes such as the accounting profession, accounting institutions and the creation of social order, new forms of accounting and accountability relevant to environmental sustainability and employee democracy, and critical analyses of accounting discourses. These themes are indicative and the organizers welcome innovative submissions.

Critical dates:

Submission of papers: 01 February 2009

Notification of acceptance: 22 March 2009

Submission of final version of papers: 03 May 2009

Details can be found at: <http://www.uibk.ac.at/atr/ipa2009>
For inquiries please contact ipa2009@uibk.ac.at.

Emerging Scholars Colloquium:

The Emerging Scholars Colloquium (ESC) is a two-day event that precedes the main IPA conference. It is targeted at emerging scholars in any field of accounting who are currently doing a PhD. In line with the orientation of the IPA, the ESC tries to promote the interdisciplinary study of accounting. Accordingly, emerging scholars interested in, and working on, the social, political, and organizational aspects of accounting theory and practice are particularly welcome.

The idea of the ESC is to give PhD students a chance to discuss their work with each other as well as with established accounting scholars. The main feature of the ESC is thus the presentation and discussion of students' PhD work. In addition, faculty members provide input on selected topics of wider interest.

The ESC of the IPA 2009 will start first thing on Tuesday, 7 July, in the morning and will end on Wednesday, 8 July, in the evening. It is organized by Chris Chapman (Imperial College London) and Martin Messner (HEC School of Management, Paris) and brings together **8 faculty members** who will give their feedback and input:

- Thomas Ahrens, Warwick Business School, United Kingdom
- Marcia Annisette, York University, Canada
- Salvador Carmona, Instituto de Empresa, Spain
- David Cooper, University of Alberta, Canada
- Clinton Free, Queen's University, Canada
- Rihab Khalifa, Warwick Business School, United Kingdom
- Paul Williams, North Carolina State

University, United States

- Joni Young, University of New Mexico, United States

Participation:

Interested PhD students should send a CV and a 3-page document in which they outline their PhD research project and explain the reasons why they want to be part of the ESC. Documents must be sent via e-mail to both Chris Chapman (christopher.chapman@imperial.ac.uk) and Martin Messner (messner@hec.fr). Deadline for submission is the 1st of February, 2009. Notification of acceptance will be given by the 22nd of March, 2009.

Students at all levels within the PhD are welcome. However, preference will be given to those in the final years of their PhD. The number of participants is limited to 45 students.

Fees:

Emerging Scholars Colloquium: €100 (including two lunches and one dinner)

Students accepted into the ESC benefit from a reduced fee for the main conference (€300). Registration for the main conference is optional.

■ Call for papers

4th Alternative Perspectives in Accounting Research Conference

Université Laval, Québec City, April 24-25, 2009

Guest speaker: Steven Salterio,
Queen's University

In the last two decades, the field of accounting research has become increasingly diversified. A vast range of research epistemologies and methodologies have developed as a way to provide new insights into accounting problems. Being sometimes designated as "alternative perspectives", this eclectic and diverse body of research is characterized by the overarching objective of developing better understandings of accounting from behavioural, organizational, and sociological angles. This conference aims to increase accounting researchers' awareness of the diverse areas of research belonging to the "alternative" paradigm of accounting research, and to provide a forum to discuss these stud-

ies from a variety of viewpoints.

Thoughtful academic papers are sought for a conference to be held on April 24-25, 2009 at Université Laval in Québec City. All research methodologies (historical, qualitative or quantitative) are welcome within the alternative paradigm of accounting research; papers will be selected on the basis of their substance and quality. Papers in progress (at a relatively advanced stage of completion), or already submitted to journals – but not yet published – are welcome.

Professor Steven Salterio, from Queen's University, has confirmed his participation to the conference as a guest speaker.

The **deadline for submission of papers is February 15, 2009**. Papers should be submitted as an e-mail attachment to Ms. Christianne Patoine,

at christianne.patoine@fsa.ulaval.ca.

All papers will be assessed via a double-blind review process by members of an evaluation committee made up of the following members of the École de comptabilité: Jean Bédard, Yves Gendron, Maurice Gosselin, Henri Guénin-Paracini, Jean-François Henri.

Selected authors will be **notified by February 28, 2009**. The École de comptabilité at Université Laval will partially reimburse the travel and accommodation costs of one presenter per every accepted submission. The individual amount will be dependent on the number of presenters and budget approval (for information the individual amount attributed last year (3rd conference) to presenters was \$400). The conference agenda, as well as full-paper submissions, will be e-mailed by March 31, 2009 to all participants.

■ Announcement and call for cases

IMA Case Conference

Denver (CO), June 7, 2009

Cases are invited for the Institute of Management Accountants (IMA)'s 2nd Annual Case Conference to be held in Denver, Colorado on June 7th, 2009 in conjunction with its 90th Annual Conference & Exposition, June 6-10, 2009.

The goal of the conference is to bring together academics and practitioners to discuss cases relating to current issues in the field of management accounting, thus deepening and enhancing the perspectives of both groups of attendees. Cases in any area of management accounting or related fields are invited.

The conference will also promote the collaboration of academics and practitioners in the development of real-world-based cases for use in the accounting curriculum. Submission of

cases reflecting "real world" situations are preferred, as are cases jointly prepared (and presented) by an academic and practitioner.

Fast Track Option

Cases accepted for presentation at the conference will automatically receive a "fast-track" review for publication in the IMA Educational Case Journal unless otherwise requested by the author(s).

Submissions

All cases should be submitted electronically in MS-Word format to Raef Lawson, IMA's Director of Research (at IECJ@imanet.org) no later than

December 19th, 2008. Notification of acceptance to the conference will be made by December 31, 2008. Case presenters will receive a complimentary registration to both the Case Conference and the Annual Conference & Exposition.

Submissions should follow the IECJ's submission guidelines (available at www.imanet.org/IECJ), except that prior classroom usage of the case is not required. (However, this will be required for journal publication.) Any questions regarding the conference may be sent to IECJ@imanet.org. Manuscripts previously published or currently under review by other publications are not acceptable.



Essay

Making the Environment Visible

Anthony Hopwood (Saïd Business School, University of Oxford)

Visibility has the potential to be a real inducer of change. When things enter the public eye, they can become much more difficult to ignore. Yes, in the short term, hypocrisy can provide a cover – carry on saying one thing while doing another. But in the longer term accountants have become accustomed to thinking that information is more likely to win out, playing, as it can, a role in creating pressures to change the underlying circumstances.

Nowhere could this be more relevant today than in the environmental area. There is now a well established scientific consensus that global warming and the associated climate changes constitute the major challenges of the coming century. Human activity has and still is creating a problem of immense proportions that will have profound consequences for all of us, wherever we live and work.

Of course a great deal could be done if there was a will to act. A lot is known about how to moderate the environmental consequences of our actions. But at present that will is very weakly developed. People talk but action is much rarer, be that from major national leaders, corporate executives or ordinary consumers. Even where there is action, it usually remains quite superficial. Retailers are starting to address issues of sourcing and packaging but they still want us to repeatedly follow the dictates of fashion rather than being sensitive to the scarce resources being used.

So an imperative to act needs to be created and making the environmental consequences of our actions more visible has the potential to be a significant way of trying to do this. Accounting in particular and information more generally already are involved in this and are likely to become ever more so, albeit that the role of calculation is one that already is contested and is likely to remain so (Lohmann, forthcoming).

Emissions trading in newly established carbon markets already is resulting in debates about their accounting implications (Cook, forthcoming). Within the enterprise new forms of calculation are likely to be called upon to mediate between environmental expectations and financial pressures. Moreover, although the frequent association that existing modes of corporate environmental reporting have had with social reporting has often resulted in their marginalisation on the corporate agenda, that should not deny the potential that exists to cast a new light on the wider consequences of business

Environmental reporting might be able to help us provide an incentive for all to create a pattern of change and improvement.

activities. Environmental reporting might be able to help us not only to identify the sluggish movers and the hypocrites, but also provide an incentive for all to create a pattern of change and improvement across time.

In the United Kingdom the Prince of Wales initiated a project to do just this – The Prince of Wales's Project on Accounting for Sustainability. Launched by the Prince and Prime Minister Tony Blair in late 2006 (see www.princeofwales.gov.uk; the video specially prepared for the launch is available on YouTube), the project reported at the end of 2007 proposing both a workable format for regular environmental reporting and the basis for a website giving guidance on how to instil sustainability concerns into the very fabric of organizations (for both see www.sustainabilityatwork.org.uk). Already attracting corporate and governmental attention in the United

Kingdom because of the focussed and readily understandable nature of its recommendations, the formats proposed are in the process of being implemented by the likes of Aviva, BT, EDF Energy and HSBC, and at a global level interest has been expressed by the World Bank.

The Accounting for Sustainability Project placed a lot of attention on the need for environmental reporting to become part of mainstream corporate information provision rather than being something that can be conveniently isolated on the side. The project sought to emphasise that environmental considerations and their reflection in corporate information systems should not be regarded as an optional add-on. Increasingly they must be regarded as part of the core. One important way that the project sought to realise this aim was to propose what it termed a "Connected Reporting Framework". That is to say, the primary focus must be on providing information that gives an insight into the interconnected nature of all aspects of corporate decision making and its consequences. As environmental considerations become more important with regulation, shifting expectations and the creation of new markets, environmental and financial considerations will become more and more intertwined. Environmental factors will increasingly impact on the bottom line – profit – and forward looking reporting must show that. Similar considerations also apply to the environmental and economic impacts of both upstream and downstream business partners, something of growing significance at a time when corporations can seek to off-load the dirtier parts of their operation on to other parts of the supply chain – usually in other countries.

(continued on next page)

Making the Environment Visible (continued from page 9)

The Connected Reporting Framework therefore provides a way of anticipating an emerging corporate world where the active management of the whole supply chain is even more important, where environmental decision making can impact significantly on costs and profits, and where questions of sustainability have to enter into the strategic positioning of the firm.

The framework focuses on five key environmental indicators, although it also recognizes that other information can and should be provided when it has a material impact. The five key indicators are polluting emissions, energy use, water use, waste, and the significant use of other finite resources. Alongside these it proposes that corporations should also provide an explanation of how sustainability considerations are connected to the overall strategy of the firm, and targets and benchmarks to aid appraisals and comparisons. While the reporting of all these factors remains difficult and often problematic, the report was based on the view that enough knowledge already exists to start to give some useful insights. Moreover, it was thought that such use was likely to stimulate more interest in improving the means for their measurement.

Taken as a whole, the Connected Reporting Framework sought to provide a more comprehensive but nevertheless workable way of building environmental considerations into the way we view and consider corporate achievements. And it looks ahead – although not too far ahead – to the days when the management of the corporate environmental profile will be seen as part of the regular mainstream operations of all firms.

All those associated with the project were aware that they were working in an area where there remained a need

for a lot more serious experimentation and research. To this end an Accounting for Sustainability Forum has been established to continue the developments launched in the report. Moreover, although the report sought to provide a reasonable and workable basis for corporate action in the here and now, there also was the hope that its publication would stimulate the academic community to delve further into the numerous important issues that remain unresolved.

References

Allan Cook, *Emission rights: from costless activity to market operations, Accounting, Organizations and Society*, forthcoming.

Larry Lohmann, *Toward a different debate in environmental accounting: the cases of carbon and cost-benefit, Accounting, Organizations and Society*, forthcoming.

Anthony Hopwood acted as a Senior Advisor for The Prince of Wales's Project on Accounting for Sustainability.

Job market

- Seoul National University, Department: Accounting, Position: tenure/non-tenure-track position, Application deadline: Feb 28, 2009
- Korea University Business School, Department: Accounting, Position: Open, Application deadline: Dec 31, 2008
- HEC Montréal, Department: Accounting Studies, Position: Professor, Application deadline: Dec 1, 2008
- Università Commerciale Luigi Bocconi, Department: Accounting, Position: Assistant Professor, Application deadline: Nov 28, 2008
- The Schulich School of Business, York University Toronto, Position: Tenure-Stream Positions in Accounting, Application deadline: Nov 15, 2008

For more information, please see www.eaa-online.org.

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